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UNCLAS SECTION 01 OF 02 MEXICO 000765

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TAGS: [PREL](#) [MX](#) [CU](#)  
SUBJECT: MEXICANS REACT NEGATIVELY TO EXPULSION OF CUBAN  
DELEGATION FROM SHERATON HOTEL

¶1. (SBU) Summary. On February 3 the Sheraton Maria Isabel Hotel in Mexico City (next door to the U.S. Embassy) expelled a 16-member Cuban delegation that was participating in an energy conference with the U.S.-Cuba Trade Association. The expulsion came after OFAC advised the Sheraton's parent corporation in the U.S. that hosting the Cubans would violate the Cuban Assets Control Regulations administered by OFAC. The expulsion of the Cubans quickly hit the press and has not dropped off the front pages since. The reaction of the Mexican media, politicians, and public has been harshly and almost universally negative. GOM ministers have tried to outdo each other in condemning the incident and promising retribution (apparently in the form of prosecution for violation of Mexico's anti-discrimination and consumer protection laws). City inspectors descended on the hotel, came away with a list of code violations (e.g. inadequate safety precautions at the pool) and promised to close the hotel. Foreign Secretary Derbez managed to damage himself over the issue by first suggesting it was a matter between private parties. He has been crucified by the press for his "weak" response to the extraterritorial application of U.S. law. End Summary.

#### Meddling and Interference

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¶2. (SBU) Since the incident broke in the press, the words "intromision" and "injerencia" (meddling, intrusion, interference) have been much in vogue. Virtually everyone has described this as an application of the Helms-Burton law (which it is not), and we have not heard from anyone who likes it. Derbez, who was traveling in Europe when the story broke, seriously misjudged the tenor of public opinion, first saying it was a matter between private parties. Realizing his mistake, he tacked back to saying the Sheraton should face prosecution under Mexico's anti-discrimination and consumer protection laws. But by then other GOM officials, such as Secretary of Government Abascal, had gotten in ahead of him, promising the full weight of the law would descend on the Sheraton.

¶3. (U) The Party of the Democratic Revolution (PRD)-controlled city government (actually the "delegacion" or borough in which the hotel is located) decided direct action was needed and sent in a team of health and building code inspectors. Predictably, they found some violations of health, safety, and zoning laws and threatened the hotel with closure. By week's end it appeared they had overplayed their hand as both Derbez and Tourism Secretary Elizondo publicly regretted the threats to close the hotel and some commentators were asking about the fate of the 700 employees of the Sheraton. Some locals have also asked why city inspectors are so active when it comes to avenging Cubans and so lax regarding all the other obvious violations of city

ordinances on view in Mexico City. The Sheraton has sought a federal court injunction, and a senior city official said the city would of course abide by any judicial ruling. The court is expected to rule on the injunction request by February 20.

#### Anger and Bafflement

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14. (SBU) Needless to say, the Institutional Revolutionary Party (PRI) as well as the PRD, were quick to condemn the Sheraton and the U.S. PRI presidential candidate Roberto Madrazo suggested the U.S. ability to enforce its laws in Mexico revealed the weakness of Fox's foreign policy. PRD candidate Andres Manuel Lopez Obrador called the expulsion "shameful." Fox's National Action Party (PAN), which is not traditionally pro-Cuban, has also been critical. Privately, some PAN politicians have expressed to us their bewilderment and have suggested that the U.S. fell into a Cuban trap designed to embarrass the U.S., Fox, and the PAN's presidential candidate, Felipe Calderon.

15. (U) Calderon for his part took a clever line, telling a tourism conference in Cancun that the PRD's misuse of the city ordinances to punish the Sheraton was typical of the sort of authoritarian PRD government Mexico could expect if Lopez Obrador won the presidency ("authoritarian" is a label Lopez Obrador's critics have hung on him in the past). Madrazo has also come out against the idea of closing the hotel, asking why the PRD city government is so efficient in finding code violations and so inept in fighting crime. By February 9, the scene had shifted to congress, which passed a resolution calling on the GOM to send a diplomatic note to the USG protesting the extra-territorial application of U.S. law. Derbez insisted that was not going to happen.

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#### The Other Side of the Story

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15. (U) We have explained to our contacts that what happened here was not interference in Mexico's internal affairs but rather the U.S. exercising its legitimate authority to regulate the operations of a U.S. corporation. Moreover, we have suggested that similar outrage at the Cuban regime's treatment of its own people would be refreshing. We have pointed to other laws, such as those designed to combat sex tourism, that subject U.S. citizens to prosecution in the U.S. for crimes committed abroad. Frankly, most of our interlocutors seem unpersuaded -- unable to get beyond what they see as the U.S. reaching into Mexico to carry out a policy that has never been popular here -- but in any case this story may die down if and when it is determined that closing one of Mexico City's best known and most prestigious hotels (and throwing 700 Mexicans out of work) is probably not a productive step.

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